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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, November 9, 2000

MOTION OF

KENTUCKY UTILITIES COMPANY

CASE NO. PUA000050

For order regarding allocation factors

ORDER GRANTING APPROVAL

On November 6, 2000, Kentucky Utilities Company, d/b/a Old Dominion Power (KU/ODP) filed a motion requesting that the Commission enter an order accepting certain revised allocation factors for the Services Agreement approved by Commission Order dated August 10, 2000, in the above captioned proceeding.

In ordering paragraph (11) of that Order, the Commission required KU/ODP to provide the Commission with thirty (30) days notice prior to making any Securities and Exchange Commission ("SEC") filing that proposed new allocation factors. Such notice was to include a description of the proposed factors, and the reasons supporting such factors. In addition, KU/ODP was directed to make a good faith attempt to resolve any differences with the Commission before filing with the SEC.

In the November 6, 2000, Motion KU/ODP represents that it provided the Commission Staff with the above referenced information and that it believes that, as a result of its discussions with the Staff, there are no areas of disagreement regarding such allocation factors. KU/ODP states that it and affiliates, Louisville Gas and Electric Company and LG&E Services, Inc., wish to implement the proposed factors as soon as possible after the closing of the merger between

LG&E Energy Corp. and PowerGen plc. That merger is presently expected to occur before year end.

NOW THE COMMISSION, upon consideration of the application and representations of KU/ODP and having been advised by its Staff, is of the opinion and finds that the above described transactions are in the public interest and should be approved, subject to the conditions detailed herein. Accordingly,

IT IS ORDERED THAT:

- 1) The proposed changes to the allocation factors are hereby approved as filed subject to representations made by the Petitioners and are effective upon the closing of the PowerGen plc and LG&E Energy merger.
- 2) No changes in the terms, conditions, or types of services described in the Services Agreement approved herein shall be made without prior Commission approval.
- 3) The approval granted herein shall not preclude the Commission from exercising its authority under the provisions of Code §§ 56-78 through 56-80 hereafter. Further, the approvals granted herein may be modified or revoked in connection with the Commission's authority and obligations under the Restructuring Act, including Code § 56-590.
- 4) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.